

FABIAN QUARTERLY

No 26

SUMMER

1940

	Page
Fabian Research : Quarterly Report - -	2
The New Government : One Month's Work -	4
Socialism and Federation - - - -	10
The New Poor Law - - - -	18
Unser Pamph - - - -	22
Keynes : A Post Budget Comment - -	28
Notes on Books - - - -	17, 27, 34

FABIAN

11 Dartmouth St



SOCIETY

London SW 1

FABIAN RESEARCH

Quarterly Report

Two new Fabian books are now in the press, and should be published early in July. Each represents the final report of a long term programme of research. Each is concerned with a subject of vital and topical importance in home front problems. *Britain's Food Supplies in Peace and War*, by Charles Smith, is the result of a year's work on the problem, begun before the war and supplemented by a careful study of wartime developments. *Evacuation Survey* is a comprehensive work whose separate chapters are written by experts on their subjects. It deals with the administration of the evacuation scheme and with its repercussions both on organisations and on individuals; the detailed research which has gone to examining the effects of evacuation has only been made possible by the help of a very large number of members of the Society. Arrangements are now available whereby members who apply before publication date can obtain both these books at reduced prices.

SOCIAL SERVICES

The completion of the Evacuation survey leaves the Local Government Section free to undertake further work, and a plan for this has been mapped out. The serious nature of the war crisis has naturally slowed down preliminary work, but it is hoped to go ahead as soon as the outlook is calmer. Briefly it is intended to make a careful survey of the new poor law, a preliminary memorandum on which by Miss A. Susan Lawrence is published in this *Quarterly*, and also to examine the different systems of Means Tests as applied in various social services. Further work is being prepared on juvenile employment and on the special services for deficient and delinquent children. The newly reconstituted Women's Group is conducting an investigation into the Family and the State and has already prepared a detailed questionnaire which is now being circulated.

ECONOMICS

The Society has also received a very generous and anonymous grant under which certain extra programmes of research will be conducted. One section of this extra research work is to be conducted by Professor H. Levy, who is going to investigate the recent developments of price rings and trade associations and their consequences. Professor Levy has already completed a short separate report for the Society on Industrial Health and Workmen's Compensation.

COOPERATION WITH THE FRENCH

Prior to Petain's request for peace terms and Churchill's offer of Union to France, a project was in hand to expend part of the

grant on the machinery for Anglo-French cooperation set up during the war, its effects and future development. It was also proposed to publish a monthly news bulletin on the work and problems of the French labour movement. It is not yet clear what form this will now take, but the task of keeping contact with those French Socialists seeking to free their country from Nazi oppression, and of studying the future of Anglo-French relations, will be commenced as soon as the position becomes more settled.

INTERNATIONAL SECTION

As the European situation has become more uncertain the section has had to concentrate its attention on detailed and specific questions. Besides the work on relations with France mentioned above, work is mainly centred on colonial questions and on the development of backward countries. Doreen Warriner's pamphlet on *Eastern Europe after Hitler*, now published, is the first result of work on backward countries. On colonial matters Dr Rita Hinden is continuing her work on the economic development of the African colonies, which should be completed this summer. In addition a series of companion studies to this are now being prepared on Health, Education, the labour code and future political institutions, all in reference to the African colonies. Work is also in progress on the problems of Eire and Ulster.

MISCELLANEOUS

Besides those mentioned above, two tracts and a pamphlet have been published since the last report. The tracts were *Nutrition and War* by Sir John Orr and *Labour's Next Step*, which contained an analysis of the Labour Party's future prospects, and was published immediately before the fall of the late Chamberlain government, in spite of which it still contains much that is of topical interest. *Health Services*, by R. B. Thomas, is the first of what we hope will be a series of pamphlets on this subject. The present publication deals with Maternity and Child Welfare, the School Medical Service and the Tuberculosis Service. Plans are already extant for a second volume to deal with the Hospital services. Other publications in hand include *The State and the Railways*, by Ernest Davies, and a report on *Education in the Forces*. The donation mentioned above also provides for a study of socialist propaganda. A full report of the year's work appears in the Society's Annual Report, passed at the meeting on 17 June.

The General Secretary will be glad to supply further information on the research and other activities of the Society to anyone applying to the Fabian Society, 11 Dartmouth Street, S W 1 (WHItchall 3077). Correspondence regarding the *Quarterly* should be sent to the Editor, H. D. Hughes, at the same address.

R. J. P.

THE NEW GOVERNMENT: ONE MONTH'S WORK

F. E. Noel Baker and D. Smith

The Chamberlain Government's half-hearted conceptions of war economy have been replaced by drive and energy which have secured an immediate increase in production. So far, the new Government has had to confine itself to emergency action to repair the defects of its predecessors. But the machinery it has set up has cleared the ground for a properly planned industrial programme in the future.

MACHINERY

The new machinery provided for immediate action. Individual production ministers rightly disclaimed responsibility for long term planning in the early weeks, but it would appear that such plans are now being examined by Lord Stamp's Survey, whose function has been defined as 'to provide statistical digests for the Production Council and the Economic Policy Committee'

These two Committees, both presided over by Arthur Greenwood, have respectively the functions of short and long-term planning of economic affairs. Little can yet be known of the decisions of the Economic Policy Committee on budgetary policy or the expansion of plant, for example. It will be the task of the Committee to persuade the Treasury to think in real, as well as in money terms.

Nor is it possible to ascertain what influence the Production Council has had. It exists to supply any drive that its members (the Production Ministers) may lack, and it gives its directions through them. Further, it coordinates the supply of labour and materials, and through the Central Priority Department, the plans for their allocation. But neither Bevin nor Morrison seem yet to have found any difficulty in increasing their supplies of materials. The problems of bottle-necks and dilution of labour and of pooling, plant-expansion, and standardisation of consumers' goods are yet to come.

At the moment the Production Council's greatest use may well be as a machine to direct economic policy in a spirit of realism of which the Treasury seemed incapable. Perhaps the progress so far made can best be examined Department by Department.

UTILISATION OF LABOUR

The immediate task before Bevin was to utilise to its full capacity labour already on the job and by concentrating on products

already half-finished to produce a prompt rise in the rate of output. Official pronouncements have made it clear that the results have been both immediate and considerable.

To secure the necessary labour, three methods have been used. First: the appeal. Last month, for example, Bevin called for the sacrifice of Union regulations on hours of labour, and Lord Beaverbrook recruited garage mechanics to complete half-made aircraft.

Second: the provision of incentive by promise of reservation or higher wages. The incentive through reservation is in fact only a choice of the lesser evil, and so approaches compulsion. An outstanding example is the time limit given to non-munitions engineers to go into munition works.

Third: compensation—for example through the provision of communal food and billets. In general the nature of compensation, and the transfer to the Ministry of Labour of the Factory Department of the Home Office, has caused the Ministry finally to assume the function of assuring industrial welfare.

TRANSFERENCE

The second big problem was that of transferring labour to essential industries so that the increased rate of production might be maintained. For this purpose the Employment Exchange machinery has been remodelled and tightened; Area Boards, and their corollary, a Factory Inspectorate, are to see that no machine is left idle. But the general organisation of labour supply has not yet gone nearly far enough. Up to the present it has concentrated largely on the economy and transfer of skilled labour, an important point but by no means the whole problem.

Today there are millions of workers still engaged on non-essential work (it is calculated that there are actually some 3 million more than in 1921). It is clear that a vast scheme of redistribution is urgently needed. The revision of the schedule of reserved occupations takes a step in the right direction, but covers relatively little ground. It is the business of the Ministry of Labour to see that non-essential work shall stop, and that labour reserves hitherto wasted are either transferred to war industry, or drafted into the fighting services. Nothing short of the mobilisation and complete government control of the nation's man power can satisfy the present needs.

TRAINING

But production cannot be permanently increased simply by the full employment of all available men, women and plant, and the removal of all obstructing interests. The conscription of industrial personnel will be inadequate without a great intensification of training.

In the case of machine operators (perhaps the most vital cog

in war production) there is already only 2% unemployment, and the prospect of a bottle-neck in the supply of labour is imminent. The need for training here is urgent, and present schemes are still wholly inadequate.

Moreover this kind of training can only be given in the workshops themselves where the necessary plant is available. The training of another class of workers, the skilled craftsmen, however, which is at present normally achieved by the 'up-grading' system in the factories, could easily be accelerated in the government training centres, because the men can be selected when they already have the necessary practical experience. But though the present system of securing trainees by offering them fares, family allowances, and future reservation as an incentive, has been successful in filling the Government's expanded training centres, there are still not enough facilities for training; it is estimated that the capacity will be 100,000, an increase of roughly 35%. There is also still a vast untapped potential amongst women and juveniles. The Government must both increase the number of centres, and compel workshops to provide training facilities, if they are to maintain the increased rate of production.

Naturally the main purpose must be dilution. The Unions are no longer likely to oppose it—as the majority did in the last war—in spite of the grim dangers of future unemployment. But the shop committees should be given greater power to check its abuse. Compensation must also come in other fields, in the form of the stringent control of private firms, and the extension of the policy of alleviating working class conditions.

SUPPLY

The whole problem of supply is in many ways analogous to that of labour. Morrison's immediate task has been to speed up the output of existing plant. At the same time he must increase and expand that plant, both by accelerating the completion of new workshops, and by taking over others, which, though suitable, have not hitherto been working for war production. Further he must ensure that the supply of raw materials always corresponds to the increasing capacity of his plant.

One of the methods used to cut out immediate obstructions was apparently the overriding of technical delays in contracts. This considerably helped the initial speed up. But there is still room for cutting delays caused by the apparent lack of priority system among goods inspected.

Still further intensive use of existing plant is needed. One recognition of this necessity was that by June 11th 1,463 factories had already been taken under the direct control of the Ministry.

It is in connection with the questions of pooling and expansion that rigid official supervision is most urgently needed. An immense increase in output could be achieved if proper pooling of plant were organised.

A general pooling scheme, however, of the kind that is needed now, must naturally conflict with the various capitalist interests concerned. For the same reason another urgent measure, the vast expansion of plant in many branches of war industry, cannot be left in the hands of individual capitalists. The elimination of profits and profiteering means that the incentive to expand plant in order to increase output no longer overrides the risks involved. Equally the risk of being left with excess capacity after the war is one no private individual can take.

Thus the more stringent the restriction of profits becomes (and the new 100% increase is a big step), the more necessary it becomes for the government to control matters such as pooling and expansion which can no longer be privately tackled.

The third method of increasing the volume of plant available for production of war equipment, and one which must be studied by the Economic Policy Committee, and Lord Stamp's Survey, is that of standardisation of civilian consumption. A recent Board of Trade order limited the sale of consumption goods so as to provide materials for war purposes. Ministry of Supply orders should be made to standardise the quality of some consumers' goods, so as to free plant for essential production. Both manufacturers and retailers should share the guarantee of fair compensation for loss of livelihood.

But the machinery of the Ministry seems inadequate. Machines suitable for war production are still unused, because it is apparently difficult to find work for them when their capacities vary. But work could be found if local sub-contracting were more fully used. Regional Committees could organise this, and it should be part of the work of the Area Boards which Bevin has borrowed from the Ministry of Supply.

In the central organisation of the Ministry there have been some changes, but it is doubtful if they have gone nearly far enough. With the setting-up of the Tank Board, it is likely that the administrative inefficiency which resulted in the disregard of railway workshops for tank production will disappear. But there has been little reform in the administrative personnel of the Ministry, which still consists very largely of the representatives of the vested interests concerned in the old Burgin tradition. Until there are a great many more sweeping changes (admittedly a beginning has been made) its efficiency will be unnecessarily limited.

FINANCE

Charity and munitions both begin at home. But munitions can originate elsewhere. Consequently, any tendency towards a check in imports of munitions and raw materials must be counteracted, and an immediate increase obtained if possible.

To substantiate this policy the Government issued three Orders. In the first place the Board of Trade lengthened its list

of goods whose sale for civilian consumption was to be drastically cut. Owing to the demands of war supply, more capital goods must be kept at home, and therefore consumption goods must be sent abroad in their place in order to maintain the volume of exports.

But many Members of Parliament have expressed their fears to Sir Andrew Duncan that his department has not yet learned the art of selling exports in the conditions of 1940.

Secondly, the Treasury called in all outstanding securities, so as to increase the volume of purchasing power available for foreign munitions. And thirdly, it made a more vigorous attempt to tighten the system of exchange control and to cut out the free sterling market, and so maintain the most advantageous rate of exchange.

Mr. Attlee's specific reference to the control of banks may have been a hint that the fullest information was to be demanded in order to stop the evasion of restrictions. With American opinion in its present temper, it may well be possible to go further and destroy the free market almost entirely.

The new budget must ensure the restriction of consumption. The Treasury must start thinking in real terms now. 30% is an average estimate of the proportion of the national income which needs to be diverted to essential production. State control may be used to push the banks farther into the gilt-edged market. But neither this, nor a rise in income tax of a small percentage, nor the increase of the excess profits tax to 100% are enough.

On the budget, too, will fall the task of equilibrating the sacrifices which the inflation that must soon begin will cause.

FOOD

The emergency has caused the Government to take measures to ensure the increase of food production ; to see that labour is returned to agricultural work, and that land and shipping space should be reserved for essentials. The increase in the national effort has necessitated a change in distribution. There is now some improvement of the essential food position of the under-nourished.

Hudson and Bevin have cooperated to ensure that no agricultural worker may be ' poached ' for any other industry, and that those who have left their normal occupations and taken other jobs will, after losing their new job, only be offered work in their previous employment. Agricultural labourers are, however, to receive a new minimum wage of 48/-, which is some compensation for workers whose livelihood was disturbed or who lost their main bargaining weapon with the disappearance of potential mobility. The rise in farmers' costs is to be covered by a subsidy which will make for stable prices.

The reservation of materials and shipping space for essential production is being obtained in the instance of feeding stuffs.

Imports of feeding stuffs are to be drastically restricted at the end of another month; they are to be used for milk production. Pigs and poultry are to be sacrificed in favour of cows.

The sustenance of the national effort has been tackled by the Ministry of Food and Mr. Attlee's Food Policy Committee with the initiation of a new system of distribution. The Ministry has a plan for securing cheap milk for nursing mothers and children who are covered by the Ministry's 'simple criterion of need'. Meanwhile the reduction of distribution costs is being examined.

Many other essential and quasi-essential foods are still covered simply by the old policy of subsidies in order to maintain stable prices,—for example, of bread and meat.

But it is clear that the growing possibility of blockade must result in production being devoted more closely to Sir John Orr's 'iron-ration'. The reduction of imported foods to release half the shipping space now used on them is becoming a proximate necessity. At present, too, prices are fixed on costs-information given by 'higher class' retailers. Their costs prohibit price scales low enough for the poor to buy their rations. In circumstances of blockade this is both mean and dangerous. Discriminatory price-maxima for different income-groups are needed for all foods listed on the 'iron ration', especially potatoes and oatmeal. The Government has the choice of extending its distribution policy along these lines, or of extending to the whole field of industry the policy initiated by Bevin in granting family allowances to his industrial trainees.

CONCLUSION

The Government has secured the initial speed-up that was needed, and it has shown itself anxious to alleviate working conditions and to conciliate labour for the sacrifices it is making. The extension of the new food policy and the continuation of the more generous Old Age Pension rates, with the principle of supplementary allowances, must not be scrapped because of the present emergency.

The policy of conciliating organised labour has already gone far—increased care is given to industrial welfare. The Unions' policy of retaining collective bargaining and basing their wage-demands on the cost of living index has received semi-official blessing, though this is not the most desirable wage-policy. They have been assured the restoration of peace-time labour conditions after the war.

But both conciliation of labour and future industrial mobilisation call for a more stringent control of private firms. Firms are not anxious to be used when no further profits may be obtained, for their risks increase with conversion and expansion.

A striking restriction of consumption by budgetary means may be on the way, but it is needed quickly. To overshoot the mark at the moment would be a fault in the right direction.

SOCIALISM & FEDERATION

1 Barbara Wootton

Overwhelmingly the strongest argument for bothering about federation is, of course, the hope of preventing war; or, more accurately, of preventing some wars. At the moment, interest is concentrated upon the possibility that the problem of Anglo-Franco-German relations, which has a hideous tale of its wars to its debit, might be resolved by a post-war European, or at least Western-European, Federation, of which the present belligerents would be the principal members. As the war goes on, we may need to revise our views as to the range of federation contemplated, particularly with reference to the position of the United States and the British Dominions. In any case this is a matter on which one has to be frankly opportunist. The limiting factor is that all the members of any federation in which I, for my part, would wish socialists to interest themselves, must respect at least that minimum of political democracy which implies that the government can be changed by expressions of public opinion and without recourse to force. Within this extreme limit, everything depends upon political possibilities. Since the outbreak of war, the federation of the Streit fifteen democracies, whatever may be thought of its pre-war possibilities, has receded far into the background by comparison with federation as a solution of the Anglo-Franco-German problem.

WESTERN EUROPE AND THE USSR

The argument in favour of such federation is that it would prevent the outbreak of war (or at the very worst enormously diminish its probability) in what has shown itself to be an extremely bellicose corner of the world. It is important not to claim more than this. Such a limited Federation (or indeed any Federation which is not world wide) does not remove the danger of war between the Federation and States still outside its boundaries. But that danger exists anyhow, and I do not think that it can be said to be aggravated by federation. Many socialists are frightened of the prospect of a Western European democratic-capitalist Federation getting involved in an ideological-economic war against the Soviet Union. I do not deny that this danger exists; but I really do not think that it is seriously increased by federation. If Western European powers get panic-stricken by the sight of the growing strength of the Soviets, or are determined to have a go at the Bolshies, they will get together for the purpose just as much on old-fashioned balance of power lines. The position therefore is that federation offers the chance of a big gain (a matter of a million lives or so) in one field, and no material change in others. That is good enough to win my support.

CAUSES OF WAR

This raises the question, of course, whether a European Federation could, in fact, prevent war within its own territory ; and that, in turn, raises the further question of what are the causes of war. Socialists, particularly left-wing socialists, who are disposed to be suspicious of Federal Union, nearly always come back, I find, to this issue. Pritt makes just this the main ground of his attack in his *Federal Illusion*.¹ Here the familiar argument is restated (but there is more stating than arguing) : War is caused by capitalist competition (' They fight with quotas and tariffs, with prohibitions and trade agreements ; and in the end they fight with shells and bullets and the bodies of working-men '). Only socialism, therefore, can put an end to war. But, just as with Federal Union no final security is claimed till federation is worldwide, so, on the Pritt theory, we shall have to wait for world socialism before the danger of war is wholly eliminated. It is not disputed that a socialist state may take up arms to defend itself against capitalist attack, actual or anticipated.

Now I must confess that this wellworn argument has always struck me as extraordinarily doctrinaire, academic and out of touch with reality. The difficulty is that those who believe that the causes of war are very much more complex, and indeed obscure, than such reasoning suggests, cannot deal with the simple *a priori* ' capitalism-causes-socialism-cures-war ' doctrine except by going into the whole business very much more thoroughly than is possible within a short article. Here I can merely express the opinion that the argument ignores masses of evidence from psychology, anthropology and history. If one is to meet it on its own plane, one can, of course, quite reasonably point out that all the arguments which prove that English capitalists will fight German capitalists for markets can be used to prove that Scottish capitalists will fight English capitalists on the same grounds. But in fact experience shows that since the Union, the Scots are little disposed to do this. To talk like this, however, seems to me to treat the matter more on a debating level than on that of serious argument.

Fortunately, the real issue does not hang, in any very large degree, upon the ultimate causes of war. I do not think that it can be claimed that federation will eliminate all the conflicting motives and interests which now work Englishmen and Germans up to killing one another on the grand scale. But I do think that federation between those two states, for example, would make it less likely that this killing would in fact take place. Whatever the causes that make men want to fight, it does seem likely that federation will make it materially harder for them to do so ; because it deprives member states of the national armies which are the instruments of this fighting. The simple police analogy which argues that the establishment of a stable national government causes individual citizens to give up their own guns is valid here.

SOCIALISM FIRST ?

From that we pass to the 'get socialism first' argument. To this there are, I think, three answers ; especially for Fabians who wish their socialism to be evolutionary rather than revolutionary. The first is that, as a matter of experience, socialism which allows itself to be limited by national horizons degenerates into something which approximates to what has come to be known as 'National Socialism'. There is a serious lesson to be learned from the appearance of this bastard claim to the socialist title. The second answer is that so long as international anarchy lands you in fighting a major war every quarter of a century or so, evolutionary socialism is flung two steps back for every one step forward. It is very terrible for a Fabian to observe the consequences of 4 August 1914 and 3 September 1939 upon standards of social legislation. And the third point is that, after all, political unity does help. This will impress particularly those who believe that a national sentiment, which is not economically determined, is a factor in the causation of war. Apart from this it is much easier to work common trade union action within, rather than across, the frontiers of sovereignty.

FEDERAL PLANNING

There are however more positive things to be said. It is surely time that we tried to think and plan in larger units. In this connection one should not be put off by the archaic *laissez-faire* economics which Streit incorporated in his federal project. Streit believes that you have only to say boo to tariffs, migration restrictions and national currency systems in order to live prosperously ever after, just as you formerly did (and sometimes still do) in economic textbooks. In this matter I would suggest that the attitude of the intelligent Fabian should be more or less as follows : First, we would go with Streit so far as to agree that we are not impressed with tariffs and quotas as instruments of economic planning (or, generally speaking, with the plans which they are now intended to carry out) ; that we have a general predisposition to look on restrictions upon personal movement with disfavour, which arises from our liking for personal liberty ; and that we would prefer to see the same money used over the widest possible area, except where this frustrated other purposes (like important experiments in social planning) which matter to us more. This would lead us to demand that all these subjects (together with the administration of any remaining non-self-governing dependencies) should be transferred from state to federal control.

At this point we should part company with the author of *Union Now*. For at this point we should begin to think of the possibilities of economic planning on a federal scale. We should think of such things as the imposition of federal minima in the social services, which each state would be required to reach or surpass. We should bring out those plans for international public

works, that publicly operated power-grid scheme for Europe, from the pigeonholes where they are mouldering. We should consider the possibility of using federal subsidies to promote a more sane and balanced localisation of industry and agriculture throughout the federal area. Being Fabians, we should probably make few abrupt transitions, in spite of the metaphor about not jumping an abyss in two leaps. We should certainly not follow Streit in decreeing an *immediate* abolition of all existing trade and migration controls, thus landing our newborn federation into a first-class economic crisis. But we should regard the federal authority as the instrument by which these negative and restrictive and destructive regulations could in due course be replaced by positive and constructive economic measures, such as those just named.

SOCIALISM TOO

It is in such terms and on such grounds as these that I think we ought to make federation, particularly a federation of the belligerents after the war, a big feature in any socialist programme. As for the argument that we ought to steer clear of Federal Union because it is supported by the Wrong People, well, of course that is a necessary attribute of any movement which is boycotted by the Right People. But this is not an argument which can be used effectively by that large wing of the socialist movement which supports the war, and approves its leaders sharing even Cabinet responsibility with the Wrong People. In the mouth of the anti-war minority it has a more convincing ring of consistency. But even there it is, I believe, wrong. A federal government, like a national or local government, even if democratically elected, might certainly pursue policies of which we should virulently disapprove. Federation is no substitute for socialism. There are risks. But the risks of abuse by the wrong people do not seem to me grounds either for pressing for the dissolution of existing states or local authorities, or for hesitation in combining these into larger units when the time is ripe. Indeed I sometimes wonder whether the greatest weakness of the British socialist movement (and in particular of its left wing) is not its (apparently growing) reluctance to take any practical risks at all. The corollary to socialist support of federation is the simultaneous conduct of socialist campaigns on the municipal, national *and* federal planes.

POSTSCRIPT

In conclusion I would like to emphasise three points.

First, the basic difference between Pritt and myself does relate to our views of the causes of war. We are united in loathing the injustice, cruelty, poverty and misery for which our class society and wasteful economics are responsible. He thinks that these things are also the primary causes of war. I think that that is over-simplification ; and that to adopt his view is to shut our eyes

to the real danger that, in a world of international political anarchy, even socialist states might still fight.

Second, Pritt says 'our socialism is international in spirit and outlook'. In spirit, yes: in effect most tragically no. (That is why he and I can find no political home.) I look at the history of the past twenty-five years and see that internationalism hopelessly frustrated: frustrated to the point at which most socialists are—for the second time—engaged only upon mutual destruction. I trace that frustration in large measure to the survival of now hopelessly antiquated political institutions.

Third, I agree about the probable depths of post-war chaos (except that the identification of fascism and capitalism seems to me wholly unreal). Out of it somehow we have got to try and get peaceful and decent living. But I do not see how we can hope to do that if we ignore either the problems of international political relations, *or* those of economic reconstruction.

2 D. N. Pritt

I am grateful for the opportunity to reply to Mrs Wootton's article. It is not easy for either of us to cover the whole ground in articles of moderate length, but I think it is well worth while, even in somewhat narrow limits, to confront our two points of view at this critical time.

My first criticism is basic rather than detailed. It is that Mrs. Wootton is looking at the problem in a wholly wrong setting. She is to my mind assuming that the formidable task of building our future—with or without Federal Union—has to be faced in a fairly static world, not unlike that of say mid-1939. Surely this is quite wrong. The world will be in movement, possibly in avalanche; in confusion if not in chaos; in it, anything will be capable of emerging except the *status quo ante bellum*; and the main antagonism will be between those who want to maintain or re-establish a capitalist structure—which would be a fascist one at best—and those who seek a ring of Socialist states. (The difference between Mrs Wootton and myself here is not the difference between the evolutionary and the revolutionary Socialist, for it is a question not of what we would like to happen but of what we must expect to happen.)

In such a setting, I of course assert that Mrs Wootton and all other socialists must, above and before anything else, fight to establish socialism, so as to eliminate war between states and war between classes, and to make life worth living in other respects as well. I hope I am not doing her an injustice when I say that she is postponing that urgent struggle and looking instead to a federal union of Britain, France and Germany with a common basis of 'democracy' that does not even postulate socialism; she is thus not so much putting socialism second as leaving it behind, and is also ignoring the tragically clear fact that 'democracy'

has been unable to prevent the growth of the evils it is now asked to help in removing.

Mrs Wootton is disarmingly modest in her claims for Federal Union. To those who say that the hopes it offers are small indeed, she replies that they are, but that even that much improvement is worth seeking. I would agree that in the present hell any alleviation would deserve a welcome, if that were all that could be done, but we can achieve very much more by tackling the whole thing at its roots and eliminating the causes of war.

CAUSES OF WAR

Mrs Wootton disagrees with my statement as to the main causes of war, a statement very similar to that of Mr Curry which I quote in *Federal Illusion*? Difficulties of space prevent her developing the argument and prevent me answering very fully. She makes no mention of the reality of power of finance-capital, or of the depth of class conflicts in the three states with which she is concerned. She gives indeed very little indication as to what causes other than those I adduce can really have much weight nowadays, except 'national sentiment'. This I cannot accept; mere national sentiment, unexploited by rulers with deeper causes for quarrel, could never sustain the misery, suffering, privation, and expenditure involved in preparing for and taking part in modern war. But if national sentiment did have any real weight, socialism, with all the international spirit which it implies, is surely the one obvious cure for it, rather than an attempt to eliminate it by constitutional adjustment in about one-twelfth of the globe.

In any case, I do not understand Mrs Wootton to deny that the economic stresses which to me and to Mr Curry are at least the main cause of war play in any case a pretty important role in war-making; and if that is so must not socialists turn urgently to socialism for their elimination without delay? How, otherwise, does she propose to cope with them?

THE BASIS FOR FEDERATION

The central argument for Federal Union, which is common to all the varieties in which it grows, is of course put by Mrs Wootton in her article, and I must answer it. Sovereign states, she says, and sovereign states alone, go to war with one another; federate three of them, and they at any rate will no longer go to war with one another (but only at the worst with someone else). The principal answer to this, in my view, is that states just will not federate, let alone 'stay put' in a federation, until their rulers and their peoples feel sufficient common interest and loyalty to sacrifice their 'independence' and enter genuinely into federation. When I am told that Scotland and England are never likely to go to war with one another, I answer that this is not because they are federated, nor because they are deprived of separate armed forces, but because they have sufficient common loyalty and identity of interest to

be and remain willingly and really in one sovereign state, with one set of armed forces. You cannot make Britain and Germany federate, pool their armies, and live at peace together in one federal sovereign state and one Customs ring, until they have slowly achieved in some way a common loyalty and a common interest not dissimilar to those of Scotland and England, which will outweigh and indeed destroy their economic conflicts. It is not impossible that states not now federated may slowly achieve the reality of federation, but it cannot be done 'to order'. Just as Mrs. Wootton points out that Mr Streit cannot get very far by saying 'boo' to tariffs, so I point out that it is no good for her to say 'boo' to the innumerable conflicts of interest between Britain, France and Germany.

Another answer, indeed another aspect of the same answer, is that it is emphatically not correct to say that war between component groups or classes of one sovereign state is impossible. The war in the United States in the early sixties, and the 1936-9 war in Spain, are surely clear examples of typical economic causes of conflict operating with sufficient acuteness within the limits of one state to produce actual warfare. And the prospects of such a war breaking out between forcibly or imperfectly federated states would be immeasurably greater. To test the theory by extremes, let us suppose that Britain, France and Germany were federated through one or two of the three subjugating the other two or one into a federation; the Federal Unionist's case that war within a federated state is impossible would then be theoretically present, but nobody would doubt that such a federation would be almost certain to burst into war the moment the subjugated partner or partners was ready to revolt.

SOCIALISM AN ESSENTIAL CONDITION

For all these reasons, I assert, the inference is irresistible that the first thing to fight for is socialism, a ring of socialist states; when that is achieved, the spirit of internationalism and the extinction—or at the very least the great diminution—of grounds for conflict between states and peoples will reduce the question whether their relations will include something that can be called Federal Union to one of little more than form or detail. I would like to deal expressly at this point with three arguments which Mrs Wootton advances against what she calls 'Get Socialism first'. She begins with a condemnation of Socialism which allows itself to be limited by national horizons. With this condemnation I agree, but I do not think that I and those who think as I do are guilty of such limitations. We recognise that we must fight within our own state and people for socialism, but our socialism is international in spirit and outlook—or it would not be socialist—and we look with confidence to those in other countries to fight on the same lines.

Mrs Wootton's next argument is that, so long as international anarchy brings a major war every quarter of a century, evolutionary socialism is flung two steps back for every step forward. Unless she accepts a purely defeatist attitude, this must surely convince her that she must abandon evolutionary socialism and adopt another brand which will prevent this recurring decimation. She cannot retort that Federal Union will prevent it, for her only claim is that it will prevent a little of it in one corner of the globe.

Her last argument on this point is that 'after all political unity does help'. No doubt it does help a little, if you can get it; but you cannot get it by drafting constitutions, and if you can create a sense of common loyalty, and eliminate conflicts of interest, to a sufficient degree to achieve a political unity that will 'stay put', you can achieve ten times as much in the same time by establishing socialist states. She must not be hesitant about socialism; it is neither a rearguard action nor an ultimate ideal; it is a glorious advance at a time when we cannot afford to stand still.

It is perhaps unkind to point out that Mrs Wootton has not faced in this short article such crucial points as the Indian and colonial problems, and has scarcely touched on the U S S R, for her space is limited; but they have to be faced.

New Books on Federal Union

Reviewed by Barbara Wootton

FEDERAL UNION: A SYMPOSIUM Edited by M. Channing-Pearce (Cape 10/6)

Except for a general tendency to be more or less pro-Federalist, no common thread is discernible between the 23 contributors. The result is more easily described in terms of what it is not, than what it is. It is not a serious critical study. It is not a popular exposition. Least of all is it a work of research. The subjects covered range from Federalism and Sociology to Federation and Defence. The contributors include many eminent writers who might have made important contributions. But in the circumstances the impression left on the reader is just one of confusion.

A FEDERATION FOR WESTERN EUROPE by W. Ivor Jennings (Cambridge University Press 3/6)

The first thing to notice about this book is its price, which is a glaring indictment of the social validity of our price mechanism. There is more meat in this book than in any of the ten-and-sixpenny Federalists. Like Mackay, Dr Jennings has included a draft constitution (but omits the more general discussion with which Mackay opens). The two authors should be read together. There are important and interesting differences, e.g. one-chamber Legislature or two? Colonies to be federalised or left mandated to their present owners? Who are to be original members?

FEDERAL EUROPE by R. W. G. Mackay (Michael Joseph 10/6)

A serious study by a Labour candidate who is also a Federalist (and a lawyer). Being an Australian, he has the further advantage of having lived under a Federal constitution. The book covers both a straightforward exposition of the meaning of Federation and discussion of a draft constitution for a United States of Europe. The book should establish itself as an antidote to Streit. It is informed, readable and practical.

THE NEW POOR LAW

Susan Lawrence

Parliamentary Secretary to Ministry of Health 1929/31

THE SCOPE OF THE BOARD

The recent establishment of the Assistance Board raises some interesting questions of the machinery of government. The Assistance Board deals with the payments to be made to all the unemployed who are insured for health insurance, and who have either exhausted their unemployment pay or are not insured for unemployment. The public assistance committee has still to provide for such unemployed as are not within the scope of health insurance—persons who had a business of their own, or whose income was once above health insurance, or such pariahs as book-makers' clerks. With these exceptions, the Assistance Board has taken over what used to be called 'relief for the able bodied poor'. It has also the duty of allotting supplementary pensions to those in receipt of old age pensions who are in need. It has, that is, in great measure, taken over the 'relief to the aged poor'. The amount of money by which the rates will be relieved is estimated at about five millions per annum.

With certain exceptions, therefore (which probably will be soon tidied up), the new authority has taken over the two main classes which formerly were the recipients of out-relief, the able bodied and the aged. The administration is frankly on poor law lines, embodying the household means test, which has long been a part of poor law practice, although no authority was found for it in the actual Poor Law.

The points which have so far attracted attention are the inadequacy of the scales, the odious character of the means test, and the fact that the general tendency of previous legislation has been reversed. For the whole policy of the twentieth century was that the unemployed and the aged should be removed from poor law administration and inquiries by being given rights to a fixed money payment. Large numbers of them have now been returned to what is effectively the 'poor law'.

MACHINERY

There remains, however, a point which has not been explored, the machinery used for this purpose. That will remain important, even though we obtain reasonable scales and abolish the household means test. For under any conceivable system of fixed allowances there will remain—as every public assistance authority knows—cases which can only be dealt with by some form of public assistance.

The Board consists of nominated persons. Their rules and

regulations must be 'laid' before Parliament. The express consent of Parliament is not required; and they cannot be amended. They may however be rejected as a whole. The administration of the rules is something which, as far as I can see, can hardly be touched. Ministerial responsibility is rather vague. I think there is no doubt that the Act of 1934 was intended to relieve the Minister from responsibility; but the debate of 1935 forced him to a considerable extent from that position. The Assistance Board is therefore not in any effective way under the control of Parliament, or directly under the control of the Minister.

There is in fact a very strong resemblance to the position of the Poor Law Commissioners 1834-45. They had, it is true, almost absolute power over the whole of the poor law—but the chief cause of their appointment was, as is well known, the regulation of out-relief. We have now the essentially similar device of a semi-independent Board to deal with this matter. It seems to me entirely indefensible and contrary to all sound democratic principles, that irresponsible appointed persons should exercise powers so important to the life of the community.

Those who justify the appointment of a Board point to the chaos and confusion of the old poor law. It is true that its chaos and caprice were intolerable; but I attribute that, largely, to the absence of real and effective control from the centre. The Minister of Health was able to repress what he considered excessive relief by his power of surcharge. He had no power to prescribe a reasonable scale of relief. (There is no doubt as to this, for under Mr Greenwood's administration the opinion of the Law Officers of the Crown was taken on this point.) He had only restrictive powers, so that the bad authorities could do what they pleased, and those who desired a humane standard applied it at considerable personal risk. And there is also no doubt that the burden on local finance was intolerable.

FIXED MONEY PAYMENTS

The policy of the Labour Party to remove classes of persons from the poor law altogether by means of fixed money payments received as a right by the recipient is the right one. If a means test is required, it should turn I think solely upon the amount of unearned income possessed by the applicant or by man and wife. Such a test would not be oppressive to the worker; it would let out 'the man with streets of houses' who played such a figure in the earlier controversies. There is nothing invidious about such a test, for the rich, and especially the very rich, are subject to the most searching inquiries on this point by Inland Revenue.

SCALES

It will be necessary to determine the scales. I feel, and feel very strongly, that such scales should be issued on the direct

responsibility of the Minister; and should be not merely 'laid' but passed by Parliament. I have heard it said that it would be ridiculous to allow Parliament to add an extra shilling here and there; but this objection has really no weight at all; that point has been met, not only for this, but for every other subject, by the Standing Orders which lay down that no charge upon the public revenue may be made except by motion of the Crown. But the right of debate, and full Ministerial responsibility are, I consider, necessary democratic safeguards. The Board would then become merely an advisory committee to the Minister.

In determining scales, local variations will be necessary. The Board has established 'advisory committees' consisting of such persons as the Board may think have local knowledge and experience. They give advice as to the amount of rent allowance suitable to the locality, and generally advise the Board with regard to local conditions. So that side by side with the local elected authority we have bodies of appointed persons dealing with matters clearly within the competence of the elected councils.

These advisory functions should clearly be undertaken by the local authorities. They are perfectly competent to advise the Minister through whatever committee he may choose to set up, as to conditions in their district.

CASE WORK

But when all this has been done, there will remain those individual cases for which a fixed money payment is not sufficient or not suitable. These are mostly—though not quite all—health matters. The solitary old person, who cannot look after herself; the chronic invalid who needs extra food; the child who needs milk or dinners or medical treatment in school, are all familiar examples. (At present cases needing institutional treatment may be transferred to the public assistance committee on the application of an officer of the Board—so that the Board itself determines one class of case. All other cases are removed from public assistance; but it is difficult to determine from the Act the frontiers between the health services and the Board.)

The business of dealing with exceptional cases is very closely connected with the ordinary work of the local authority—whether a particular case needs extra food, or the attention of a nurse or admittance into an institution, or whether the case is mentally unstable, are all matters connected intimately with its routine. It is very difficult to believe that paid officers, under the control of a distant Board, can, as a rule, be trusted to determine the fate of the applicants. I think therefore that case work is one for which a local authority is peculiarly fitted; and that this work should be transferred to them.

The objections urged are mainly the following. It is urged that the pressure of the electorate would compel the local authority

to spend too much. There was a certain measure of truth in this as far as some of the old boards of guardians were concerned. For they were small authorities, concerned with poor law only. But the objection is far less with regard to the public assistance authorities, whose work is but a small part of the whole work of the Council, and where election is mainly determined by entirely different considerations. I think that this objection can be safely disregarded.

FINANCIAL RESPONSIBILITY

There remains the more formidable question of financial responsibility. If the local authorities administer must there not be some charge on the rates? I think there is no escape from an affirmative answer. It should be noted in the first place that we are only dealing with exceptional cases in excess of the scales paid for out of government funds; with a proper scale, e.g. for old age pensions, only quite a few of the aged—and those mostly the sick aged—would come under the local authority; and the same would be true of the families of the unemployed. My own belief is that, if a grant of 50% of the extra cost of additional money payments was made, the burden on the authorities would be but slight, and sufficient financial responsibility would be maintained. And for the very poor authorities I think we should aim, not at taking altogether from them their public assistance work, but by a modification of the principal grant so as to meet the necessarily high expenditure, not on public assistance only, but on health and education, which are all more expensive in working class districts.

THE POST WAR PERIOD

These suggestions are put forward for consideration now. When peace comes, there is certain to be a period of unemployment, due to the change over in industry and demobilisation. We shall see these questions become the subject of as violent an agitation as the poor law agitation which followed the war. The administration of the Assistance Board, the scales of the Board, the existence of the Board, will all be the subject of violent attack. The last time, the government tided over the crisis by almost unlimited poor relief; but they have now blocked up that safety valve, and the explosion will be more violent. For instead of a series of local agitations directed to the boards of guardians, we shall have an agitation directed to the Assistance Board.

I think therefore that it is time to frame a policy; and these suggestions are put forward as a basis for discussion.

UNSER PAMPH

George Sidney

Propaganda is a military weapon in war. Its effectiveness must be measured by the extent to which it destroys the enemy's will to resist. The traditional way of achieving this end has been by the defeat of the enemy's armed forces, thus leaving the vanquished country open to invasion and occupation. Now new weapons have been devised as important auxiliaries to naval, military, or air power. The Great War revealed the power of economic blockade, and subsequent experience has shown what can be accomplished by propaganda. Even before battle—in the accepted sense—has commenced, it has been possible to shatter the opponent's will to resist. Hitler's successive conquests are a tribute to the powers of propaganda.

AN OFFICIAL SECRET

During the last war the reputation of the various British propaganda organisations was deservedly high. We were able to influence the neutrals and successful methods were devised of effectively spreading our propaganda within Germany and thus undermining the German will to fight. When, in the first few days of the present war, the leaflet raids of the Royal Air Force were announced, it seemed as if British propaganda was going to be up to the level of Lord Northcliffe's campaigns in the last month of 1918. It was an imaginative stroke which sent the first raiders over Germany with leaflets instead of with bombs. Impressed by the boldness of the move we waited to read the messages which were sent to the German people. We waited in vain, for British propaganda in Germany is shrouded in mystery. There is the classic story, which illustrates the Civil Service attitude so well in this respect, of the American journalist who tried to secure a copy of the leaflet through the Ministry of Information and the Air Ministry. He was politely rebuffed with the warning that the leaflets were official secrets.

Very few people, especially those usually concerned with political propaganda, have seen the leaflets. A number must be in circulation, especially those brought back by aircraft crews or retained by ground staff as souvenirs. Occasionally advertisements have been published from collectors anxious to buy specimens. Yet despite the interest in the leaflets it has been very difficult to find exactly the message they contained. One popular weekly published a specimen in a highly critical article, but the most detailed description of the leaflets has appeared in a recent issue of *The Aeroplane*. Immediately after the publication of this

issue it is understood that official ' suggestions ' were made to editors of newspapers and periodicals that the text of the leaflets might be ignored.

Why are our propaganda efforts shrouded in so much mystery ? Are we afraid that our propaganda might affect our own people ? Or are the authors of the leaflets ashamed to stand up to public criticism ? If the lives of our pilots and observers are to be hazarded on these dangerous flights, we ought to be sure that the leaflets they are dropping are worthy of their efforts.

Although we have now passed through the twilight phase of war, and aircraft are carrying more menacing loads than leaflets, it is essential that we should not underestimate the effectiveness of good propaganda. In this light it is worth discussing the earlier leaflets from various angles—the message they contained, their technical qualities as distinctive leaflets, and their suitability for the general aim of destroying the German will to fight.

GUIDE TO ECONOMICS

In general the leaflets reflect the complacency of the Chamberlain Government during the period when we were constantly assured that ' Germany had missed the bus '. In that phase our strong point was our economic potential, and therefore the argument of the leaflets tended to concentrate on our economic strength. Taking as theme Hitler's words, ' We must export or die ', one leaflet was devoted to Germany's trade problems. Under the heading, ' Germany must import or die ' appeared a statement from a speech of Mr. Ronald Cross as Minister of Economic Warfare. ' Already,' ran the quotation,

' after four and a half months' of war Germany is suffering from the same shortage of raw material as after two years during the last war. There are many raw materials which are absolutely vital for the armament industry and which can only be obtained from overseas. Other necessary raw materials can be obtained only in insufficient quantities from neighbouring countries. Germany produces neither tin, nickel, rubber nor cotton, and has too little copper, oil, wool and fats. But the British blockade has cut off Germany's export trade almost completely.'

This side of the leaflet then concludes with the two slogans, ' *Without Party No War* ' and ' *Without Raw Materials No Victory* '.

On the reverse side, beneath the heading, ' *There Is No Other Way Left* ', Mr Ronald Cross is again quoted as saying :

The German war economy is far weaker than during 1914–1918. Germany has no longer the same reserves as 25 years ago. Economic warfare means victory for England. Germany has lost half her foreign trade through the Nazi War. And Hitler has said himself, ' We must export or die '.

At the foot of the text on each face of the leaflet are comparative figures of German exports and imports to U S A in one month of 1938 and 1939.

Perhaps in this phase of the war our economic advisers were more preoccupied with the exposure of Germany's weaknesses

than in the mobilisation of our own economic strength, for a second four-page leaflet continued the economic argument in great detail. About 1,500 words were devoted to a survey of the dangers of inflation. A series of questions:

Why has Göring been given new power over the savings of the common people? Why do many Party officials reprimand people who are buying so many things, necessary or unnecessary? Why does Dr Funk state again and again that there will be no inflation?—

lead to a special query in heavy type:

Why? Is it not because many Germans are afraid of a new inflation? And if they are afraid of a new inflation, is not the reason that . . . 'There is no smoke without fire?'

A long quotation from one of Hermann Rauschning's books refers to some remarks of Hitler's on the undesirability of rationing and inflation in war time. This leads to the argument:

'Hitler's decision has not been able to stop the introduction of ration cards. Why should it be different regarding inflation? The other possibility is the total abolition of money which is hinted at by the 'Schwarze Korps' when speaking of credit slips instead of wages in cash. Is that social progress?'

Pages 2 and 3 contain an 800 word dissertation on German financial policy, of which the following sentences may be regarded as typical:

'When the National Socialists came to power in 1933, Germany was economically exhausted—exhausted by the first inflation of the post-war period and the economic crisis which had started in 1929. Previous savings were spent, all capital reserves were dwindling, economic activities were practically non-existent. German economic life could have been restored slowly and carefully. But National Socialism imposed new and heavy burdens. Economic boom and war economy were the same for the National Socialist warmongers. They did not hesitate to use German labour and German industry for war production.'

However, it is the last page which sets the decisive seal on the leaflet. It is solid enough to convince any German reader that an English pilot must have inadvertently dropped a special supplement to the *Economic Journal*. The concluding page of the leaflet is a compact statistical appendix to the general argument on inflation. Thirteen sets of figures are given, contrasting amongst other things the Reichsbank notes in circulation in various years, the daily payable liabilities of the German central banks, the outstanding short, medium and long term debts, the total of Reich loans held by banks, and also some observations on concealed indebtedness. In short, in four pages the size of this page, and containing about as many words per page, the casual German reader has, floated to him from the clouds, a complete treatise on German financial policy.

CHERCHEZ LA FEMME

More general is a leaflet with a special appeal for women. It reminds them that the German women pay for Hitler's war

whilst the men and boys die on the battlefield. On the reverse side the same argument continues and concludes with :

'Cannon fodder is the price which Germany's mothers must pay for this war of conquest. You, German women, have to carry the heaviest burdens. You are the first victims of the Nazi War. You may rest assured that Britain's mothers hate the war as do all mothers of the world. But they know that their sons fight to defend what you have lost—Liberty.'

A CRITIQUE

Considering the leaflets in the light of one's experience of pamphlet propaganda in England, it would seem that the following criticisms are justified :

(1) The leaflets are too impersonal and too much concerned with general argument to be effective. They bear the stamp of the civil servant and the expert rather than the political propagandist. If people were easily moved by rational argument the Labour Party would have been in power in 1935 and there would have been no war. To have the necessary effects leaflets must strike a personal and perhaps an emotional vein. The strength of the Allied Blockade should not be measured in comparative statistics of total exports—it should be measured in terms of foodstuffs, clothes, and the other common necessities of which the German people are deprived. No average man could measure the effectiveness of the blockade in terms of imports from U S A, but if he were told how his supplies of coffee and fats were cut, or how Germany was deprived of cotton and wool by the blockade, he could confirm the leaflet's statement by his own experience. Similarly the wastage of war might be emphasized by photographs of German dead or of German prisoners. A photograph, for the average recipient of a propaganda leaflet, is likely to be more effective than four pages of argument. A picture of the shattered wreck of the Graf von Spee outside Montevideo illustrates British sea power more vividly than a complete volume of trade returns.

(2) It is bad policy to hang arguments on to speeches of British Cabinet ministers or on quotations from the writings of ex-Nazis. Surely we would not be convinced of Germany's air strength by an article of General Göring's, nor would any observations on the English social system by a renegade Fifth Columnist cause much uneasiness.

(3) The actual format of the leaflet is unsuitable for the purpose. We know the penalties which the Nazi Party might exact from people seen with the leaflets. Yet the message contained in the leaflets can only be grasped by reading long arguments. Even in the midst of a popular election campaign in England, where there is no penalty for reading leaflets, it is difficult enough to get people to pay any attention to pamphlets unless there is an effective layout of the text. Too many words make a leaflet ineffective. Bold type, and a simple argument, a map, or a photograph, the

significance of which can be gathered almost at a glance, would be more suitable for propaganda in a country where any casual on-looker might be a member of the Gestapo.

PROPAGANDA POLICY

More important, however, than these technical points is the necessity for a policy behind the propaganda. Leaflets should not be produced almost casually. Each leaflet should be written with a special 'punch'. And each propaganda argument should fit in with the general principle of British policy. We are trying with our propaganda to destroy any national unity which there may be within the Reich. We must therefore agree on the best method by which this might be achieved, and direct our propaganda accordingly. It is suggested that there are four main points of attack :

(1) **Political** There is no reason to suppose that the whole of the German working class is behind the Nazi Party. The thorough training of the old Social Democratic Party will still affect the outlook of a good number of workers, and even the older soldiers. Here is one source of discontent with the present regime. Attacks on the Nazis for their home front policy, for their war policy, and for their anti trade union policy might fall on fertile ground. More important still, if agreement could be attained by the Allies on this point, is the need for a clear statement of the peace for which the Allies are fighting. Any possible assistance which we might expect from the German Socialists would be increased if they felt that we in England were guaranteeing them a peace without reprisals, and a world which offered the Germans a place in international society, rather than treating the nation as outcasts.

(2) **Religious** For many of us the Spanish Civil War, and its repercussions in the various countries, was a surprising illustration of the power of certain religious organisations in political propaganda. In different parts of Germany the Protestant and the Roman Catholic Churches have a strong hold on the affections of the older people. They have little reason to be friendly to the Nazis. Appropriate methods of increasing their anxieties and stiffening their resistance could be found.

(3) **National** The German Reich has now absorbed the Austrians, the Czechs, the Poles, and more recently the Danes, the Norwegians, the Dutch and the Belgians. In all of these countries the national spirit must be very much alive. Aerial propaganda leaflets can do much to encourage it. As long as the national consciousness of the oppressed nations is kept alive the German occupying forces must always be on their guard.

(4) **Self-interest** This is the common line of all anti-war propaganda. After the experience of the last war, with its casualty lists, with the civilian starvation as a result of blockade, and with

the post-war economic collapse, the older Germans, on whom the industrial production of the nation presumably depends, must be very much afraid of similar consequences again. If the Goebbels' 'success stories' could be pricked, and if the growing strength of the Allies could be emphasised, the seeds of doubt may begin to develop.

But propaganda is much more than words on leaflets. Its success depends on action. It will take a great number of leaflets to overcome the German elation at their onslaught on France, at the defeat of Poland, at their conquest of Norway, and at their occupation of Denmark, Holland and Belgium. When the ordinary German knows beyond doubt of the victories of the Nazi blows he is little likely to be impressed by our propaganda as to German weaknesses. Our words may succeed when our actions first check the myth of Hitler's invincibility. Therefore the first step to a successful British propaganda offensive in Germany is a thoroughgoing realisation of the task that lies ahead. Nine months of complacency have cost us heavy sacrifice. If we can make good our losses, if we can mobilise our economic resources, and if we can, by collaboration with our allies, and our neutral supporters, check the aggressor, then we can turn, with some hope of success, to our known friends within Germany. When we have checked the aggressor we can hope for some success with our aerial leaflets. Perhaps in the past nine months we have spent too much time discussing the ideal peace aims and the best way to induce the German nation to overthrow the Nazis and accept peace. Dr Negrin's 13 points were good peace terms, and they made good propaganda points, but Franco won the Civil War. We must make sure of our victory.

THE AIR MINISTRY by C. G. Grey (Allen & Unwin 10/6)

A full (if rather selective) chronicle of facts, committees and persons identified with British aviation from 1914 to 1939. For the information that it gives the book is indispensable, but for the information that it omits, Fabians will not rely upon it as a comprehensive work.

To some extent, perhaps, the inevitable gag of the censor has prevented the disclosure of many things that the public would like to know, and that C. G. Grey could tell them. He says nothing about the comparative total strengths of the British and German Air Forces. Indeed he creates confusion by a statement that 'according to competent authorities' we were 'the most powerful nation in the air before war was declared in September 1939'. There is no competent authority that I know who would make such a foolish statement. Nothing is said either about the breakdown in the British Intelligence Service which enabled Hitler, to whom military aircraft were forbidden, suddenly, in 1936, to confront Simon with the spectre of German air parity with Britain. Nothing is said about the successive blunders of Lord Londonderry, Lord Swinton and (I am bound to add) Sir Kingsley Wood at the Air Ministry, or of how successively they failed to foresee the all-metal low-wing aeroplane construction, or to discern it when it was in full operation in USA, or of how they later failed to overcome the production difficulties of modern aircraft.

The author was formerly the Editor of *The Aeroplane*.

G. G. J.

KEYNES :

A POST BUDGET COMMENT

Rt. Hon. F. W. Pethick Lawrence, M P

SUMMARY OF THE KEYNES PLAN

- (1) The war, as it proceeds, will use up an increasing percentage of the annual national productive effort.
- (2) A smaller percentage will therefore be left for the satisfaction of the civil population.
- (3) Even if total production be increased, the actual size of the slice left available for civilians is not likely to be larger, and will almost certainly be less, than in peace-time.
- (4) Meanwhile, the purchasing-power handed out in the shape of wages, profits, etc., will (owing to increased production) be greater than in peace-time, even if rates of wages and profits do not go up (and, of course, far more so if they do).
- (5) Therefore, aggregate purchasing power will greatly exceed the aggregate value (at pre-war prices) of the things produced for civilian use.
- (6) The gap between these two can only be filled by
 - (a) Taxation,
 - (b) Loans subscribed out of genuine savings,
 - (c) A rise in prices.

In so far as (a) and (b) fail to fill the gap, (c) will automatically come into play to make up the difference.
- (7) The gap cannot be filled by taxation alone.
- (8) The gap cannot be wholly filled by cutting down the incomes of the rich and intermediate¹ classes, whether by taxes or loans.
- (9) A substantial part of the gap will, therefore, have to be met, for the duration of the war, from the lower range of incomes.
- (10) To take the whole or the major part of their share by taxation, would be difficult and unfair.
- (11) Voluntary saving is not likely to be sufficient to make up the balance, because a great many people will not practise it.
- (12) Unless, therefore, means are adopted to compel everyone who can afford it to save, there will be an automatic rise in the general level of prices. Such a rise, commonly known as inflation, acts as a hidden tax pressing most unfairly on the lower range of incomes and particularly on the poor. It tends to be cumulative and, once started, goes on mounting.
- (13) To avoid inflation, it will be necessary to impose a graduated scheme for compulsory saving on all sections of the community except the poor. This would be super-imposed on the existing scheme of graduated taxation. This will mean that those in the lower ranges of income, instead of vainly frittering-away their resources in meeting rising prices, will be storing up a nest-egg for use and enjoyment when the war is over.

¹ A convenient nomenclature will be the rich=the surtax payers. The intermediate class=those with incomes between £250 and £2,000. Lower range incomes=those below £250. The poor=those below Sir John Orr's standard of living.

After exhaustive analysis of the income and expenditure of the nation in peace and war, Mr Keynes reaches the conclusion that there is likely to be a gap of no less than £450 million a year at pre-war prices. This is after allowing for heavy additional taxation and for the normal operations of voluntary borrowing.

It is to bridge this gap that the precise proposal of Mr Keynes is made, which is known as his scheme of forced loans, or as he prefers to call it, 'deferred pay'.

In his book he sets out a schedule of payments graduated according to income and calculates that their gross yield would be some £600 million. Realising the hardship that would be entailed on heads of families, Mr Keynes proposes certain forms of set-off. First, he would have a system of family allowances, which he estimates would cost £100 million. Next he provides for release of the deferred funds to the lender during the war under certain circumstances and allows £50 million a year for that. Finally he proposes an 'iron ration', *i.e.* fixed prices for certain absolute necessities. He also advocates a capital levy at the close of the war.

Mr Keynes makes no claim to have laid down a fully worked-out scheme. His proposals are frankly of a skeleton character to form a basis of discussion. Nevertheless his figures are intended to be taken seriously as constituting a definite contribution towards solving the problem of equating income and expenditure in war-time.

Mr Keynes has rendered a great service to the community in analysing with his accustomed ability the fundamental bases of war economy and forcing the public to realise the necessity of genuine saving if inflation is to be avoided. Most thinking people will be compelled to agree broadly with that part of his argument contained in the first ten propositions set out above. Agreement does not extend to the final three propositions; and the proposal for compulsory loans is hotly contested. It is to this question that the following criticism is directed.

Anyone who advocates any new and untried proposal has to answer three main questions. Could it be worked? Would it be fair? Would it fulfil its purpose? I propose to apply these criteria to the Keynes Scheme.

COULD IT BE WORKED ?

It is essential to the proper enforcement of the Keynes scheme that there should be an assessment of the individual incomes of all the persons liable to the imposed contribution. Otherwise, the principle of graduation cannot be carried out. The Inland Revenue people have no suitable machinery at present in existence for this purpose. Except in the case of the surtax payers and certain other income-tax payers, they do not assess individual incomes. For the millions of other people to whom the Keynes

scheme would apply it is almost inconceivable that they could improvise such machinery for even approximate assessment; and if they could, its cost would be stupendous.

It would be necessary, therefore, as Keynes proposes, to get the employers to act on behalf of the State; and it is quite true that they already make certain deductions from wages. But Keynes' proposals would involve going far beyond present practice and would require employers to be informed of the whole personal income and circumstances of all their employees and to assess them for contribution on this basis. This would create great difficulties.

Moreover, this would still leave unassessed the incomes of a very large number of persons who are not wage-earners, and these would have to be tackled by the Inland Revenue authorities themselves.

Therefore, though I hesitate to suggest that administrative obstacles should be allowed to rule out any scheme otherwise valuable and important, it is undoubtedly true that the Keynes scheme could only be worked with great difficulty and expense.

WOULD IT BE FAIR ?

An essential condition for acceptance of the Keynes scheme by the people of the country is that it should be recognised as equitable. At first sight it appears to be so, but I believe that on closer examination it will be found to be otherwise.

First, as between different classes of incomes. On paper, those in the higher ranges of income appear to be subject to a similar appropriate obligation to those in the lower. But, in fact, many of them would be immune from its effects. It is true that they would be compelled to make certain loans to the State, which would presumably be irredeemable and unsaleable for the duration; but there would be nothing to prevent them going to their stock-broker and selling an equal amount of some of their other securities, thus evading the effect of the obligation to save.

I have heard it suggested that this course would not long be open to them because there would be no buyers of the securities they tried to put on the market. But I disagree with this view. There are trustees of large estates who are investing new money every day. There are companies, banks, and other institutions and societies with surplus funds. These in the aggregate would be ample to meet the requirements of the evaders.

Of course steps might be taken to prevent such leakage, but they would have to be very drastic to have any chance of success and they would cause violent repercussions in many directions.

A similar method of escaping the effects of the new obligation would only be open to those of the workers who already possess savings in the Post Office or other banks who could withdraw them unless prohibited from so doing.

Secondly, as between different individuals in the same class, it is quite untrue to suppose that the amount of a man's income is a complete measure of his ability to save.

Take two rich men. One is a young man, just come into his property, who has up till now no responsibilities or commitments. He ought to be able to save and lend to the State all but that tiny fraction of his income which he needs for his personal requirements. Another with an equal income has commitments of all kinds, and only after a considerable time and with great difficulty can he get out of many of them.

Take two wage-earners. One has a family, all under fourteen years of age. Another has two or three unmarried sons living at home, all earning good money. The first ought to save little or nothing. The latter household is in a position to save a considerable sum without stinting themselves at all.

When Keynes first propounded his scheme, he made no allowance for these facts ; but in response to criticism from myself and others, he later proposed to modify the scheme by superimposing on it (a) a system of family allowances, (b) a limited right to use savings during the war, and (c) an ' iron ' ration. These supplementary schemes undoubtedly go some way to meet the objections, but even so they do not go all the way. They leave untouched, so far as the rich are concerned, the problem of evasion and the problem of the diversity of individual capacity to save. So far as the lower ranges of incomes are concerned, they take no account of dependants other than wife and children, nor of many of the other circumstances peculiar to individuals.

The fact is, that when we try to create a system of universal application for filling the ' gap ' by means of compulsory saving, we are confronted by precisely the same kind of difficulty that would confront us if we set out to impose a complete scheme of taxation to fill it, namely, the almost infinite diversity of individual conditions. The Keynes scheme would, therefore, have to be subject to many additional modifications and adjustments before it would be recognised as even approximately equitable by the people of the country.

WOULD IT FULFIL ITS PURPOSE ?

Assuming the Keynes scheme adopted and in operation, would it fulfil the purpose he has in view of filling the gap and stopping inflation ?

According to Keynes, the gross yield of the compulsory loans which he refers to as ' deferred pay ' would be about £600 million a year on the scale suggested. Of this, £250 million would come from the lower range of incomes (below £250 apiece) and £350 million from the rest.

Assuming this figure of £600 million to be correct, let us see what sums have to be deducted from it in order to reach a net figure.

Keynes himself reckons £100 million as the cost of family allowances and a further £50 million on account of his proposal to allow withdrawals on certain conditions. To these have to be added leakage due to evasions of which a modest estimate would be 10% or £60 million. Next there is the cost of modifications which the House of Commons would be sure to insist on if ever a Bill on the Keynes lines were to be put through Parliament—say £20 million. Finally there is the cost of running the scheme and the family allowances, say £20 million together. These deductions bring down the net yield of the plan to some £350 million.

This figure has now to be compared with the present yield from voluntary saving and lending. Up to date, savings certificates and defence bonds have, together with new investments in the Post Office and other savings banks, been coming in at the rate of over £5 million a week. In addition to this there are the proceeds of the big loans. Even if Keynes is right in supposing that much of the latter is institutional and would continue, we are still left with some £250 million a year of voluntary saving now being effected, most of which would disappear if compulsion were adopted.

The amount of new money that the Keynes plan would bring in would therefore not be £450 million a year as Keynes believes but in the neighbourhood of £100 million. Such a result would certainly not be worth the upset involved. Of course Keynes might put up the rates of his scale, but the result of that would be to introduce many new complications and objections.

IS THERE AN ALTERNATIVE ?

Keynes calls upon his critics to put forward an alternative. As he sees it, the only alternative to his plan is to drift into general inflation. This would inflict grave injury on the poor and on all with small fixed incomes, and cause a futile struggle of wage-earners generally to make wage increases keep step with the rises in prices.

There are two answers. They are, I think, correlated. First, the voluntary savings movement must be greatly extended. Encouragement by leaders of all sections of public opinion could make this a much greater success even than it is at present. Now that the workers' representatives have settled with the Government and with employers' organisations as to a just basis on which workers' savings will be treated after the war, Labour leaders are beginning frankly to advocate and urge on their hearers the importance to themselves and their fellows and to the community as a whole of voluntary saving. This advocacy should be on the widest possible scale. But this is not all ; it is open to the Government to make the path of the man who wants to spend his income to the full a less rosy one.

That brings me to the second answer. It is not necessary, even if there be some rise of prices, that it should take the form of general inflation. The Government, with the approval of Parliament, can to-day make the rise in prices discriminatory and selective instead of general. It might even lower some prices while raising others. To give some idea of what I mean, suppose that consumption be divided into (*a*) basic necessities, (*b*) conventional necessities, (*c*) semi-luxuries, (*d*) luxuries. It would be possible to depress the price of (*a*), allow small increases in (*b*), raise (*c*) to some extent, and raise (*d*) enormously.

This is a wide subject, a full discussion of which would be out of place here; but it must be evident that it has great capabilities of development in the peculiar artificial economy of wartime, when the Government has something of the same selective power which the Soviet Government had in the early thirties, when a complete and elaborate price-regulating scheme was in operation.

Precisely in what category this approach to the problem should be placed would depend on the form it took and the way it was applied. The Government might decide to make money on the transaction by collecting excise taxes on luxuries and spending a lesser sum in keeping down the price of necessities. In so far as it did that, it would in the net be imposing new taxation. It might decide to 'lose on the swings what it gained on the roundabouts.' In that case, it would be merely taking sumptuary action with a view to controlling the nature of inflation. The third alternative is of course that it might decide to lose on the transaction. In any event it is important to realise that such action will have a salutary effect on the course of voluntary saving, because spending surplus income will be made less and less profitable.

I ought perhaps to add that the purchases tax, as outlined by Sir John Simon in his budget speech in April 1940, whose fate under the new Government is still undecided while this article is being written, does not conform to the proposals I am here making because it involves taxation at a flat rate on a miscellaneous number of articles including some luxuries and some necessities.

GENERAL SUMMARY

Keynes has, in my opinion, done a very great service in forcing the public to think about the basic problems of war economy. Much of his analysis is indisputable; and his figures, rightly understood, are a valuable contribution to the subject.

His special remedy of forced loans—or deferred pay—is, however, open to many objections. It would be difficult and costly to administer. It would need to be further modified to become even approximately equitable. Its net yield of new money, in my opinion, would be much below its gross yield, and would not, therefore, fulfil Keynes' purpose.

The alternative as I see it (after imposing all the additional taxation which can legitimately be borne), is to strengthen the campaign for voluntary saving and to use the powers of Government to control selectively any rise in the price level.

(Since the above was written, the Government has announced its decision to take very extensive powers over persons and property. It is too early to judge how far the problem discussed in this article will be affected by this decision.)

NOTES ON BOOKS

I

WAR COMES TO BRITAIN by C. R. Attlee, M.P. (Gollancz 9/-).

Attlee's speeches in the House on foreign affairs from 1933 to 1939) Invaluable for reference but intolerably painful reading. A tremendous indictment of those who betrayed the League in Manchuria, Abyssinia, Spain and Czechoslovakia, and for whose crimes the British people are now to pay the penalty.

H. D. H.

WHAT'S ALL THIS by Robert Blatchford. (Routledge 7/6, LBS 2/6)

Extracts from the writings of this great socialist propagandist, with a new introduction by the author. The collection well illustrates the philosophy of a courageous believer in the inevitability of gradualism. I would have liked more examples of his political work. And it was a great mistake not to date the extracts.

H. D. H.

THE MACHINERY OF JUSTICE IN ENGLAND by R. M. Jackson (Cambridge University Press 16/-)

Mr Jackson, who has been a practising solicitor and is now a lecturer in law at Cambridge, has written one of the most useful books on this subject ever published. It is much more than a legal textbook. The subjects dealt with include the questions of prison and prison reform, juvenile courts, the probation service, legal education and the reform of the personnel of the law, and suggestions are made for reducing the cost of litigation. The author takes perhaps slightly too favourable a view of special tribunals. Nevertheless he combines scrupulous accuracy with comments and proposals for reform which are of the utmost value.

R. S. W. P.

TRIALS OF BRITISH FREEDOM by T. A. Jackson (Lawrence & Wishart 6/-)

It is hard to see why this book was written. No new facts relating to social history are adduced, and such history as the author has hashed up has been better told elsewhere.

To those absolutely ignorant of working-class history, the book may be recommended as a short and lively introduction to a fascinating subject. Those who are already at home with the subject need not waste their time on this book.

J. T.

THE CONSTITUTION OF ENGLAND FROM QUEEN VICTORIA TO GEORGE VI by A. Berrideale Keith (Macmillan Two vols. 30/-)

These massive volumes are packed with the fruits of Professor Keith's encyclopædic learning, acute judgment, and powerful wisdom.

The contents of the book are accurately summarised by its title, and on this subject it is likely to remain the last word for a very long time. Although not easy reading, to serious students of the modern history of England the book is indispensable. J. T.

EDUCATION AND THE BIRTH RATE by Grace G. Leybourne & Kenneth White (Jonathan Cape 10/6)

The body of the text is an elaborate, clear and very valuable study of the costs of education and their relationship with the size of the family. As a piece of research in a field where information, though plentiful, is dispersed and often unprinted, the book is admirably conceived and well executed. The policy conclusions are reached from the desirability of increasing the population and are summarised in 'The Achievement of Full Hadowism'. It is interesting to compare this with the bolder statements of the book which was written by Mr Kenneth Lindsay before he joined the National Government. R. J. P.

SOCIAL GROUPS IN MODERN ENGLAND by Henry A. Mess (Nelson 2/6)

Elementary Sociology should be taught in schools, in WEA classes, and in universities, for no study is more conducive to tolerance as between social groups. This is an excellent introductory book, including chapters on the family, school and college, social class, and political parties. Socialists will find it too agnostic: do new sciences have to be 'respectable' when they are young? P. H.

THE UNEMPLOYMENT ASSISTANCE BOARD by John D. Millett (Allen and Unwin 8/6)

A learned, solid and useful book by an American who is only interested in the Assistance Board because it is autonomous. Though the author no doubt had a number of interviews with officials of the Board, Hansard was his bible. Dr. Millett does not show sufficient practical experience to convince us that his fears about the Board's autonomy are justified. P. H.

ABORTION: RIGHT OR WRONG? By Dorothy Thurtell. Foreword by Norman Birkett, (T. Werner Laurie 3/6)

A useful discussion; contains the facts well set out, and pronounces in favour of 'therapeutic' abortion. C.

FEEDING THE PEOPLE IN PEACE AND WAR by George Walworth (Allen and Unwin 18/-)

This book gives an extremely thorough account of the marketing schemes for British agricultural products. It assembles careful summaries of all the documents on the subjects and contains all the material for forming a judgment on the schemes. The author's standpoint is critical; his conclusion is that the schemes have been disastrous for the consumer and are likely in the long run to be of little benefit to the producer. C. G. P. S.

2

THE RUSSIAN ENIGMA by Anton Ciliga (Routledge 7/6, Labour Book Service 2/6)

The writer is a refugee Yugo-Slav professor, who in 1926 went to Russia in search of the 'Kingdom of Heaven on Earth', but found only bitter disillusionment. Where today is 'world revolution'? Where is 'workers' control' or 'economic equality'? After four years of 'opposition' activities, the writer was arrested for 'Trotskyism' and spent another five years in prison, where he enjoyed hard fare but free speech — 'the only free university in the USSR.' Chiefly interesting for the story of prison life and the personal narratives of fellow-prisoners. These reveal an unhappy undercurrent of political intrigue, suspicion and terrorism, which is, perhaps, the inevitable aftermath of civil war and revolution.

B. D.

THE CONDITIONS OF ECONOMIC PROGRESS by Colin Clark (Macmillan 25/-)

In his latest book Mr Clark synthesises the investigations into national income which have been made in the principal countries of the world. From the digested mass of fact which results he draws conclusions as to the process of economic welfare in the countries concerned. These conclusions are often startling. The book ought not to be reviewed until it has been in constant use and reference for at least a year; for the present one can only marvel and feel encouraged at the vision of expanding knowledge applied on a world basis.

R. J. P.

HITLER'S WAR by Hugh Dalton M.P. (Penguin Special 6d)

Crisp, concise and to the point. Complicated things simplified for Penguin readers with no great distortion. An analysis of what went wrong, a sketch of recent political history and a glimpse into the future. Dalton prefers foreign politics to national economics. He appears to believe that *slight* differences might have averted catastrophe. If Britain had been a *little* less isolationist and pacific, if Social Democratic Germany had acted a *little* more decisively at home, if the League had been a *little* less timid. . . . For peace aims his political plans read better than his economic. Why advocate growing more food in the world when Asia's peoples haven't the purchasing power to buy it?

P. L. Y.

WORLD FINANCE 1939-40 by Paul Einzig (Kegan Paul 12/6)

A clear and well-informed account from the British standpoint. It includes incisive criticisms of the Czech gold scandal, of the £1,000 million loan scheme which Chamberlain offered Germany as late as July 1939, of the leakages in Britain's exchange restrictions, of the depreciation of the pound making our huge war imports dearer, of the dilatory tactics of the Ministry of Economic Warfare. Simpletons suppose that all bankers speak with one voice, but Einzig hates Montagu Norman and Communists equally. He wants planning, but not Socialism. Isn't that Nazi-ism?

P. L. Y.

WHERE STANDS DEMOCRACY? by Members of the Fabian Society (Macmillan 3/6)

This book is a valuable collection of essays on various political aspects of the war, rather disjointed perhaps, but always interesting and sometimes brilliant.

Laski's contribution is outstanding. He makes a number of profound comments on the constitutional aspects of government in wartime. He is emphatic on the necessity of maintaining a Parliamentary Opposition.

Barnes is good, as ever, on India and the Colonies; Cole stimulating in his *Decline of Capitalism*; and Crossman covers fresh ground in his provocative denunciation of Labour's abhorrence of nationalism.

A very worth while book.

G. R. S.

NOTES ON BOOKS

ARMISTICE by Michael Foot (Harrap 8/6)

Twenty vignettes of political incidents. Parade of personalities, imagined conversations between dictators and diplomats, misleading epigrams, good journalese; the whole elegant and easily read. Yet why bother to write such stuff? The book is neither a record of personal experiences nor a documented history. It makes no analysis, draws no morals, advocates no alternatives. It falls between all the stools. P. L. Y.

MAN AND SOCIETY IN AN AGE OF RECONSTRUCTION

by K. Mannheim (Kegan Paul 16/6)

This highly learned book on the sociology of planned and unplanned societies may be of the very greatest importance. Occasionally, broad and important statements are insufficiently substantiated, though even then the reader is likely to feel that the right kind of ideas are in the air; and the book will excite him despite the stolidity of its prose style. The bibliography, consisting of seventy full pages, and ranging over all the social sciences, is invaluable.

P. H.

EUROPEAN GOVERNMENTS AND POLITICS by F. A. Ogg. 2nd Ed. (Macmillan 18/-)

This is a textbook of political institutions for American students; 600 pages devoted to Britain and France, 250 to Germany and Italy, 50 to the Soviet Union. Significant? The author may be impartial, but oh! so colourless. Photographic descriptions of the facade, but no indication of the why and wherefore or of how the institutions work. Poor American students! P. L. Y.

DEADLOCK WAR by Tom Wintringham (Faber & Faber 8/6)

Though it is dated December 1939, this study is much less out-of-date than one might surmise. Apart from one unfortunate prophecy that 'the German military leader can hardly expect to be able to go through Holland and Belgium and then invade France,' the whole of what Wintringham, out of his experience of the 1914 war and the Spanish war, says about the proper way in which to use and train soldiers is both readable and valuable. An admirable birthday present for relatives in the War Office. M. I. C.

